

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2018 AND 2017

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	31 December 2018	31 December 2017
ASSETS		
Current Assets	1,220,674,474	1,258,935,703
Cash and Cash Equivalents	487,581,005	511,632,900
Trade Receivables		
Due From Related Parties	20,987,567	18,512,939
Other Trade Receivables	35,055,793	37,512,648
Other Receivables		
Other Receivables	1,207,744	16,341,311
Derivative Financial Assets	--	37,024,056
Inventories	639,173,766	602,370,448
Prepaid Expenses	36,668,599	35,541,401
Non-Current Assets	1,428,208,043	1,986,373,944
Other Receivables		
Other Receivables	56,661,092	48,510,765
Investment Properties	--	221,360,273
Property, Plant and Equipment	633,413,074	766,412,413
Intangible Assets		
Goodwill	482,479,139	632,678,869
Other Intangible Assets	62,576,962	83,511,826
Prepaid Expenses	13,320,559	15,014,521
Deferred Tax Assets	179,757,217	218,885,277
TOTAL ASSETS	2,648,882,517	3,245,309,647

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	31 December 2018	31 December 2017
LIABILITIES		
Current Liabilities	2,400,840,002	2,759,182,288
Financial Liabilities		
Short Term Financial Liabilities from Related Parties	291,370,075	405,373,639
Other Short Term Financial Liabilities	458,268,115	535,893,975
Short Term Portion of Long Term Financial Liabilities		
Short Term Portion of Long Term		
Financial Liabilities from Related Parties	21,282,883	30,377,887
Other Short Term Portion of Long Term Financial Liabilities	36,295,451	349,241,943
Trade Payables		
Due to Related Parties	20,500,662	30,677,456
Other Trade Payables	1,396,049,061	1,226,930,467
Employee Benefit Liabilities	48,498,301	25,790,987
Other Payables		
Due to Related Parties	9,397,685	7,891,821
Other Short Term Payables	18,482,327	17,565,387
Short Term Provisions		
Provisions for Employment Benefits	9,008,246	8,247,818
Other Short Term Provisions	72,102,195	107,928,905
Other Current Liabilities	19,585,001	13,262,003
Non-Current Liabilities	194,793,140	417,536,453
Long Term Financial Liabilities		
Long Term Financial Liabilities from Related Parties	21,844,798	29,421,926
Other Long Term Financial Liabilities	118,708,687	336,778,077
Long Term Provisions		
Provisions for Employment Termination Benefits	54,239,655	51,336,450
EQUITY	53,249,375	68,590,906
Shareholders' Equity	53,249,375	68,590,906
Share Capital	700,000,000	700,000,000
Inflation Adjustment to Share Capital	91,845,783	91,845,783
Share Issue Premium	34,691,309	34,691,309
Other Comprehensive Income/ Expense		
Not to be Reclassified to Loss	(4,446,458)	(601,338)
Restricted Reserves	12,318,358	12,318,358
Retained Earnings	(769,663,206)	(463,854,309)
Net Loss for the Period	(11,496,411)	(305,808,897)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,648,882,517	3,245,309,647

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	2018	2017
CONTINUING OPERATIONS		
Revenue	5,203,359,873	4,556,668,173
Cost of Sales (-)	(3,901,836,979)	(3,390,412,026)
GROSS PROFIT	1,301,522,894	1,166,256,147
Marketing Expenses (-)	(1,172,671,968)	(1,016,625,908)
General Administrative Expenses (-)	(161,356,003)	(131,681,241)
Other Income From Main Operations	63,859,655	92,768,216
Other Expenses From Main Operations (-)	(354,922,984)	(292,879,440)
OPERATING LOSS FROM MAIN OPERATIONS	(323,568,406)	(182,162,226)
Income From Investment Activities	569,337,061	21,289,283
Impairment profit / (loss) and Reversals of Impairment Losses in Accordance with TFRS 9	61,881	(4,679,322)
OPERATING (LOSS) / PROFIT	245,830,536	(165,552,265)
Finance Income	53,267,469	2,349,557
Finance Costs (-)	(270,505,261)	(189,044,318)
LOSS BEFORE TAX	28,592,744	(352,247,026)
Tax Income	(40,089,155)	46,438,129
- Taxes on Income	--	--
- Deferred Tax Income (Expense)	(40,089,155)	46,438,129
NET LOSS FOR THE YEAR	(11,496,411)	(305,808,897)
OTHER COMPREHENSIVE LOSS		
Items not to be Reclassified Under Profit or Loss, After Tax	(3,845,120)	(112,564)
- Remeasurements of defined benefit asset / (liability)	(4,806,400)	(140,705)
- Remeasurements of defined benefit asset / (liability), tax effect	961,280	28,141
TOTAL COMPREHENSIVE LOSS	(15,341,531)	(305,921,461)
Loss Per Share	(0.0164)	(0.4369)

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CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Share Capital	Inflation Adjustment to Share Capital	Share Issue Premium	Actuarial Gain / (Loss)	Restricted Reserves	Retained Earnings	Net Loss for the Period	Total
Balance at 1 January 2017	700,000,000	91,845,783	34,691,309	(488,774)	12,318,358	(31,687,012)	(432,167,297)	374,512,367
Transfers	--	--	--	--	--	(432,167,297)	432,167,297	--
Total Comprehensive Loss	--	--	--	(112,564)	--	--	(305,808,897)	(305,921,461)
Balances at 31 December 2017	700,000,000	91,845,783	34,691,309	(601,338)	12,318,358	(463,854,309)	(305,808,897)	68,590,906
Balance at 1 January 2018	700,000,000	91,845,783	34,691,309	(601,338)	12,318,358	(463,854,309)	(305,808,897)	68,590,906
Transfers	--	--	--	--	--	(305,808,897)	305,808,897	--
Total Comprehensive Loss	--	--	--	(3,845,120)	--	--	(11,496,411)	(15,341,531)
Balances at 31 December 2018	700,000,000	91,845,783	34,691,309	(4,446,458)	12,318,358	(769,663,206)	(11,496,411)	53,249,375

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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	1 January- 31 December 2018	1 January- 31 December 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(11,496,411)	(305,808,897)
Adjustments to reconcile net loss for the period	(19,232,308)	340,246,571
- Depreciation of investment properties	2,213,596	5,884,559
- Depreciation of property, plant and equipment	106,145,962	78,009,081
- Amortization of intangible assets	32,889,386	28,969,081
- Gain on sale of tangible assets, intangible assets and investment properties	(569,337,061)	(21,289,283)
- Risk, lawsuit, personnel, SSI and other provisions	(35,826,710)	(19,464,021)
- Interest income accruals	(35,230,891)	(2,349,557)
- Interest expense accruals	213,871,634	183,576,827
- Impairment provision	149,881,175	84,523,809
- Change in unused vacation provision	760,428	587,513
- Provision for employment termination benefit	27,402,278	34,043,874
- Allowance for doubtful receivables	3,418,065	6,377,821
- Change in inventory impairment	2,296,367	(10,726,384)
- Unrealized foreign exchange loss	42,194,308	18,541,380
- Tax (income)/expense	40,089,155	(46,438,129)
Changes in working capital:	192,433,638	257,846,993
- Increase in trade receivables, including collection from doubtful receivables	(961,210)	(19,294,217)
- Decrease/(increase) in inventories	(39,099,685)	(32,042,496)
- Increase due from related parties	(2,474,628)	(5,010,160)
- (Increase) / decrease in other receivables and current assets	44,007,296	75,755,087
- Increase/(decrease) in prepaid expenses	566,764	9,396,044
- Increase/(decrease) in other short term payables	916,940	2,260,595
- Increase in other trade payables	169,118,594	221,486,047
- Increase in due to related parties	(8,670,930)	6,235,101
- (Decrease) / increase in employee benefit liabilities	22,707,314	388,882
- Increase/(decrease) in other short-term liabilities	6,323,183	(1,327,890)
Cash used in operating activities	161,704,919	292,284,667
- Employee termination benefits paid	(29,305,473)	(30,968,887)
Net cash used in operating activities	132,399,446	261,315,780

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	1 January- 31 December 2018	1 January- 31 December 2017
CASH FLOWS FROM INVESTING ACTIVITIES		
- Acquisition of property, plant and equipment	(106,219,895)	(157,814,302)
- Acquisition of intangible assets	(13,587,239)	(33,994,378)
- Acquisition of investment properties	(756,330)	(1,822,279)
- Proceeds from sale of investment properties, tangible assets and intangible assets	924,264,613	54,245,037
Net cash used in investing activities	<u>803,701,149</u>	<u>(139,385,922)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Proceeds from bank borrowings	642,108,972	2,005,570,500
- Repayment of borrowings	(1,595,808,400)	(1,857,075,057)
- Repayment of finance lease payables	(42,400,667)	(35,298,963)
- Increase in finance lease payables	35,230,891	2,349,557
Net cash generated from financing activities	<u>(960,869,204)</u>	<u>115,546,037</u>
Increase in cash and cash equivalents	(24,768,609)	237,475,895
Cash and cash equivalents at the beginning of the year	511,632,900	274,877,489
- The impact of change in foreign currency exchange rate over cash and cash equivalents	716,714	(720,484)
Cash and cash equivalents at the end of the year	<u>487,581,005</u>	<u>511,632,900</u>